

**REMARKS**

Claims 10, 11 and 16-26 are pending in this application. By this Amendment, claim 26 is amended. Reconsideration in view of the above amendment and the following remarks is respectfully requested.

It is gratefully appreciated that the Office Action indicates that claims 10, 11 and 16-25 are allowed.

The Office Action rejects claim 26 under 35 U.S.C. §103(a) over Kobayashi (U.S. Patent No. 5,767,827) in view of Matsunaga (U.S. Patent No. 5,510,918). The rejection is respectfully traversed.

In particular, neither Kobayashi nor Matsunaga, either alone or in combination, disclose or suggest a substrate for a liquid crystal panel, including at least an insulating interlayer formed between reflecting electrodes and a light shielding layer, the insulating interlayer including a first silicon oxide film and a silicon nitride stacked on the first silicon oxide film, the first silicon oxide film being thicker than the silicon nitride between adjacent reflecting electrodes, as recited in independent claim 26.

Specifically, Kobayashi discloses a laminate structure of a plurality of silicon oxide films 11 and 7b.

Matsunaga discloses that a gate terminal GTM is formed of an aluminum film and a transparent conductive film, which is deposited on the aluminum film.

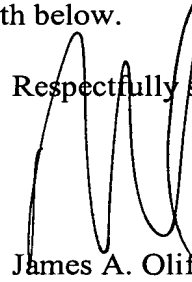
In contrast to the claimed invention, neither Kobayashi nor Matsunaga, either alone or in combination, disclose or suggest an insulating interlayer formed between reflecting electrodes and a light shielding layer, the insulating interlayer including a first silicon oxide film and a silicon nitride stacked on the first silicon oxide film, the first silicon oxide film being thicker than the silicon nitride between adjacent reflecting electrodes. On the contrary, nowhere in the applied references are these features disclosed or suggested.

Thus, any combination of the applied references would not have resulted in a device that reflects all light to improve shading. Moreover, because the applied references do not disclose these features, cracks could not have been effectively prevented when forming the reflecting electrodes. Because it would not have been obvious to combine the applied references to arrive at the claimed invention, it is respectfully requested that the rejection under 35 U.S.C. §103(b) be withdrawn.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of claim 26 are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact Applicant's attorney at the telephone number set forth below.

Respectfully submitted,



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